Annual Report

NATIONAL LEAD COMPANY

for Fiscal Year Ending

December 30, 1916

Principal Office:

1 Exchange Place, Jersey City, New Jersey

Executive Offices:

111 Broadway, New York City

National Lead Company

1 Exchange Place, Jersey City, N. J.

Report to be Presented to the Stockholders at their Twenty-Fifth Annual Meeting, April 19, 1917, for the Fiscal Year Ending December 30, 1916.

To the Stockholders of National Lead Company—

The following Balance Sheet shows the condition of the Company on December 30, 1916:

ASSETS

Plant Investment		$23,805,233.92
Other Investments:		
Stocks and Bonds of Insurance Fund	$1,000,000.00	
Stocks of Companies not entirely owned by National Lead Company	2,124,752.47	
Stocks and Bonds of Subsidiary Companies	14,855,554.43	17,980,306.90
Current Assets:		
Stock on hand	$7,320,170.11	
Cash	1,283,519.95	
Customers' Accounts	3,813,625.44	
Advances to Subsidiary Companies	836,044.66	
Other Notes Receivable	125,000.00	13,378,360.16
		$55,163,900.98

LIABILITIES

Capital Stock:		
Preferred	$24,367,600.00	
Common	20,655,400.00	
Insurance Fund	1,200,000.00	
Metal Reserve	300,000.00	
Plant Reserve	400,000.00	
Accounts Payable:		
Audited but not due. $435,056.77		
Subsidiary Companies 1,622,731.28	2,057,788.05	
Surplus, December 30, 1916	6,183,112.93	$55,163,900.98

STATEMENT OF NET EARNINGS AND DISPOSITION OF SAME

Surplus, December 31, 1915		$5,737,361.94
Net Earnings for 1916 after deductions for Maintenance, Repairs, etc.		2,977,698.99
		$8,715,060.93
Less Dividends:		
Dividends on Preferred Stock, 7%.	$1,705,732.00	
Dividends on Common Stock, 4%...	826,216.00	2,531,948.00
		$6,183,112.93

A comparison with the preceding year is given in the following Statement:

ASSETS

	Dec. 30, 1916	Dec. 31, 1915	Increase	Decrease
Plant Investment.	$23,805,233.92	$23,785,821.91	$19,412.01	....
Other Investments	17,980,306.90	17,520,915.75	459,391.15	....
Stock on hand...	7,320,170.11	6,267,771.96	1,052,398.15	....
Cash	1,283,519.95	1,635,324.10	....	$351,804.15
Customers' Accts.	3,813,625.44	2,854,136.09	959,489.35	....
Subsidiary Cos...	836,044.66	545,000.00	291,044.66	....
Other Notes Receivable	125,000.00	850,000.00	....	725,000.00
	$55,163,900.98	$53,458,969.81	$2,781,735.32	$1,076,804.15

LIABILITIES

	Dec. 30, 1916	Dec. 31, 1915	Increase	Decrease
Preferred Stock..	$24,367,600.00	$24,367,600.00	....	....
Common Stock...	20,655,400.00	20,655,400.00	....	....
Insurance Fund..	1,200,000.00	1,100,000.00	$100,000.00	....
Metal Reserve....	300,000.00	200,000.00	100,000.00	....
Plant Reserve....	400,000.00	100,000.00	300,000.00	....
Accounts Payable.	435,056.77	250,322.68	184,734.09	....
Subsidiary Cos...	1,622,731.28	1,048,285.19	574,446.09	....
Surplus	6,183,112.93	5,737,361.94	445,750.99	....
	$55,163,900.98	$53,458,969.81	$1,704,931.17	

William Watson Lawrence

It is my sad duty to report the death of William Watson Lawrence, President of the Company, on the twenty-ninth day of August, 1916. The commemorative resolution of the Board of Directors is appended to this report. Mr. Lawrence was exceptionally well equipped for the position of President of the Company by his long experience, scholarly attainments and practical wisdom, supplemented by charm of manner and an extensive acquaintance. Occurring at the acme of his physical, mental and moral strength, his death was a great shock to his associates, and an irreparable loss to the Company.

Charles M. Hewitt

It is also my painful duty to report the death of Charles M. Hewitt of the Magnus Company, on the sixteenth day of March, 1916. Mr. Hewitt began his business career in the employ of the Pullman Company at Chicago. Later, in company with his brother, H. H. Hewitt, he established and built up the business of the Magnus Metal Company. Since the sale of that company to the National Lead Company he and his brother have continued as managers and have been as successful in its affairs and as loyal to the company as when they themselves were its controlling stockholders. Fidelity to duty, loyalty to friends, trustworthiness, thoroughness and capability were distinguishing characteristics that endeared Charles M. Hewitt to all who knew him.

25th Anniversary

On the fifth day of December, 1916, the Company finished the first quarter century of its existence; on the fifteenth day of December, 1916, it paid the 100th dividend on its Preferred stock. Dividends on the Common stock were quite irregular for many years but since 1910 have been paid at the rate of 3 percent per annum until increased to 4 percent per annum in the year 1916. Extensive improvements, amounting ofttimes to reconstruction, have been made at nearly all of the Branches and paid for out of profits. Much important and expensive new construction remains to be done and will probably be commenced during the present year. All of the subsidiary companies are in a prosperous condition. The Company has successfully passed through several periods of great financial depression and wide market fluctuations and is stronger to-day than ever before. It has achieved the reputation with the investing public of being safe and conservative, and with consumers of its products of being progressive and reliable. It has gradually expanded its manufacturing operations until now white lead, red lead and litharge, while still very important, are by no means the all important factors of its business they once were.

Dividends

The abnormally high prices of raw metals and greatly increased manufacturing expenses, including wages, present problems for the future that are receiving serious consideration. In this connection it is proper to say that the National Lead Company, with its greatly diversified interests built up to supply the ordinary wants of the people of the United States, gains more by peace than by war even from the narrow viewpoint of profits. Your management will endeavor to meet the changing demands of the public for your products and protect your interests in highly fluctuating markets of raw material but the ideal condition for the National Lead Company is one of peace, stable prices, uniform operations, usual taxes, and reasonably permanent and certain conditions. The earnings of the Company for the year 1916 have been sufficient to pay the dividends on the preferred and common stock (increased to 4 percent), add $500,000 to the reserve funds which was explained at length in the last annual report, and put $445,750.99 to the surplus. Prudence requires that the Company should keep itself financially strong until the difficulties and losses, if any, attending the readjustment to normal conditions after the war are more definitely known. Therefore the dividend rate on the common stock has not been further increased.

White Lead

The wisdom of the Company's policy of diversifying manufacturing operations was made manifest in the year 1916. The tonnage of white lead sold was the lowest in many years due in part perhaps to the activity of competitors but chiefly to the checking of consumption by the high prices, not only of white lead but of linseed oil and everything entering into the cost of painting, including wages. The relative loss of profits in this department has been offset by the profits in other departments.

Bass-Hueter Paint Company

During the year 1916 the National Lead Company purchased all of the capital stock of the Bass-Hueter Paint Company of San Francisco, California, the second largest manufacturers of mixed paints and varnishes on the Pacific Coast. Retailers in territory tributary to San Francisco are accustomed to buy their white lead and oxides of lead from the same distributors from whom they purchase their colors, varnishes, oils and mixed paints. In addition to its own profitable business the Bass-Hueter Paint Company should prove to be a valuable assistant in marketing the products of the National Lead Company of California. Its earnings during the first year of our ownership have been satisfactory.

Williams Harvey & Company, Limited

We also purchased during the year one-half of the capital stock of Williams Harvey & Company, Limited—the largest tin smelters in Europe—having two plants in England, located at Liverpool and Hayle, Cornwall. The purchase contemplated the erection of a Tin Smelting Plant in the United States, which will be operated in connection with the English Company. An American company has been incorporated under the corporate name Williams Harvey Corporation to transact the business in the United States. The National Lead Company expends over $10,000,000 a year in the purchase of tin which it markets in the form of solder, type metals, tin pipe, babbitt metals and other articles. The Company has for many years smelted scrap tin and tin drosses. We have also experimented for several years with the smelting of tin ores in the belief that the tin ores of Bolivia, shipped through the Panama Canal, should logically be smelted in the United States for domestic consumption. By the arrangement above outlined we have acquired the best smelting talent in Europe and also an immediate connection with the tin ore producers on the West Coast of South America.

Cinch Expansion Bolt

The National Lead Company examines carefully every new invention that is related to its manufacturing operations or would be marketed through the same channels as its other products. Our extensive acquaintance and the reputation of our products enable us to exploit a new article, having merit, in much less time than could the inventor. Arrangements mutually profitable can therefore often be made by which we become interested either as licensees or part owners of patent rights. A case in point is the acquisition by the National Lead Company during the year of 51 percent of the capital stock of the Cinch Expansion Bolt & Engineering Company. The increasing use of concrete has caused a demand for an improved method of attaching equipment to the surface of the masonry. Lead is the best

material for fixing in place the anchors necessary for this purpose. The Cinch Bolt consists of an iron bolt held in place by lead wedges. It is the most secure, economical and simple expansion bolt on the market for use in stone, brick and concrete. It is becoming generally specified by engineers and its use is increasing rapidly.

Die-Castings

Our die-casting business, which was begun some years ago to fill a demand for white metal alloys moulded into form ready for use, has increased so that the large plant, built in Brooklyn in 1915, is already too small to take care of the growing business. Another larger building is now being constructed in Brooklyn in which to manufacture pressure die-castings made of aluminum and its alloys. The Hoyt Metal Company is constructing a large building for the die-casting department t its St. Louis plant, the construction of this building being necessary to take care of its increasing business in the West.

Carter White Lead Company

The new plant of the Carter White Lead Company, at West Pullman, Chicago, is nearly completed. It is the largest white lead corroding works in the world. Its excess capacity will supply the growing requirements of that Company for many years and meanwhile constitutes a manufacturing reserve that can speedily supply any deficiency that may occur at any of our other plants by reason of fire or other misfortune.

United States Cartridge Company

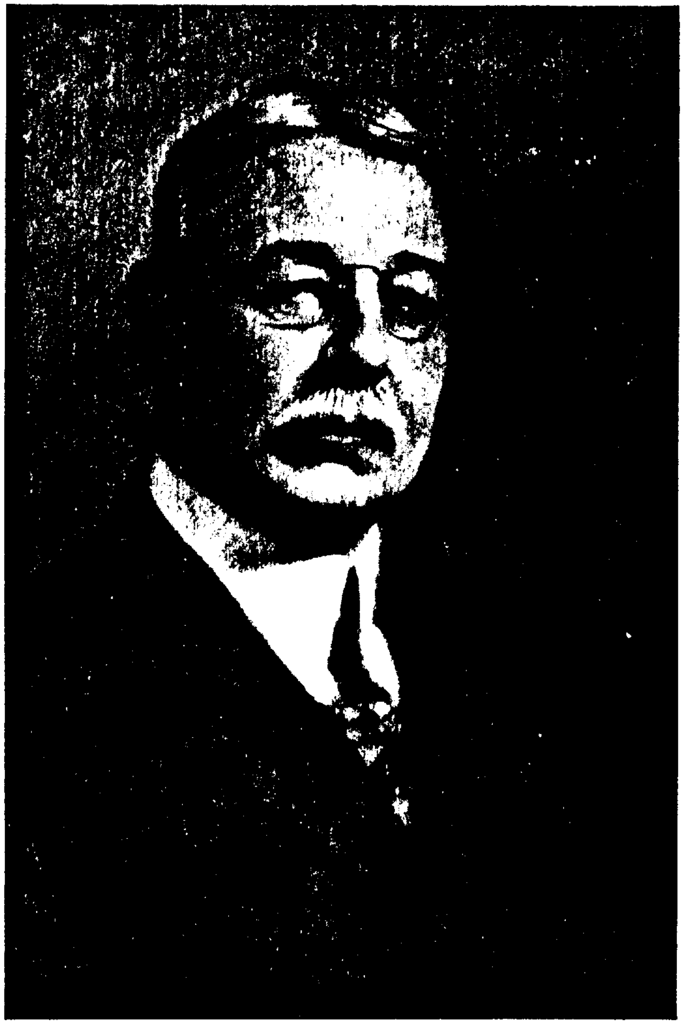
The National Lead Company owns one-half of the capital stock of the United States Cartridge Company, the owners of the other half being for the most part the active managers of the Company who have acquired great technical skill by their long experience in the industry. It has, since our connection with it, commenced the manufacture of loaded shells for shot-guns—the shot being manufactured by the United Lead Company. The Black Shell, the name by which its shot-gun shells are known, is probably the best shell manufactured in the world. The sales of shot-gun ammunition are increasing and with the assistance of the sales departments of our several branches supported by the quality of the shell, should increase much more rapidly in the future. The United States Cartridge Company obtained a number of large contracts for rifle ammunition. It is believed that these will prove profitable. The Company has declared no dividends and no financial statement can be made until its contracts are completed and the value of equipment to manufacture on a large scale an article for which there is only a temporary demand can be definitely determined.

Conclusion

The National Lead Company has an individuality of its own, separate and distinct from that of its officers and directors. Its policy is the outgrowth of years of experience. The loyalty of its employees is truly remarkable and their welfare has been and will continue to be the constant care of the management. The Directors are all active managers or heads of departments. Their monthly meetings are not formal affairs but a two-days' study of the practical problems of the hour. They know from long experience that the most valuable asset of the Company is the reputation for reliability and trustworthiness of both the Company and its products and will do nothing to imperil that value. The Company has 6,640 stockholders, of whom 3,385 or 51 percent are women. There are no stockholders who have exceptionally large holdings. The Directors feel the responsibility of the trust that is imposed upon them and will conscientiously execute it, always bearing in mind that a large company also owes a duty to the public which it can best perform by rendering continually better and more varied service.

Respectfully submitted,

EDWARD J. CORNISH,
President.



WILLIAM WATSON LAWRENCE
President National Lead Company, 1910-1916. Died August, 1916

A Tribute by the Board of Directors

In the death of its President, William Watson Lawrence, the National Lead Company sustains a loss as immeasurable as the sorrow brought to those who were associated with him in the conduct of its affairs.

Mr. Lawrence became identified with National Lead Company in 1903, and was elected treasurer on May first of that year. In February, 1906, he was chosen as one of its vice-presidents, and was elected to the presidency in September, 1910.

To this office he brought rich qualities of mind and heart, well matured judgment, self-reliance, earnest endeavor, and a broad vision, together with a liberal and intelligent consideration for the health and welfare of all employees. He filled the office with dignity, power and rare executive ability and placed the company in the foremost rank of large commercial organizations in its relations to the general public and to all of its employees.

His life throughout was inspired by high ideals towards the attainment of which his course was successfully directed. His duty to his Creator and to his fellowman was recognized by his every word and his every deed. The members of this board desire to place upon record their recognition of his earnest, able and faithful services to the company, and their appreciation of him as a courteous, genial, Christian gentleman. In his death they share the grief of those to whom he was related by closer ties and to them a sincere and most profound sympathy is extended.

William Watson Lawrence was born at Huntington, Pennsylvania, on April 20, 1859.

At the age of eighteen, he was graduated from Princeton University and associated himself with the firm of Suydam, Lawrence & Co., of Pittsburgh, crushers of linseed oil and corroders of lead. In 1884, he established the firm of W. W. Lawrence & Co., paint manufacturers, of Pittsburgh, and was its president up to the time of his death.

Four years after founding the Pittsburgh firm Mr. Lawrence, with others, organized the Sterling White Lead Company, afterwards absorbed by the National Lead Company. On May 1, 1903, he became treasurer of National Lead Company and three years later, in February, he was chosen as one of its vice-presidents. In September, 1910, he was elected to the presidency, an honor which was his until death came on August 29, 1916, at the age of fifty-seven.

Mrs. Lawrence, who was Miss Jane Yuile, of Montreal, survives him.

Mr. Lawrence was a member of the following clubs: Metropolitan Club of New York, University Club of New York, Bankers' Club of New York, Metropolitan Club of Washington, Maryland Club of Baltimore, Pittsburgh Club of Pittsburgh, Sleepy Hollow Country Club, Westchester Country Club and Misquananicut Club. He was a member of the Board of Governors of the University Club and of the Graduate Council at Princeton; also a director of the Seaboard National Bank of New York and of the Western National Bank of Pittsburgh.

Directors

EDWARD F. BEALE,	Philadelphia
GEORGE O. CARPENTER,	St. Louis, Mo.
FRED M. CARTER,	Chicago, Ill.
ROBERT R. COLGATE,	New York, N. Y.
EDWARD J. CORNISH,	New York, N. Y.
GRAFTON D. DORSEY,	Montclair, N. J.
CHARLES E. FIELD,	Chicago, Ill.
GEORGE W. FORTMEYER,	E. Orange, N. J.
EDWIN C. GOSHORN,	Cincinnati, O.
NORRIS B. GREGG,	St. Louis, Mo.
REGINALD P. ROWE,	Brooklyn, N. Y.
WILLIAM N. TAYLOR,	Pittsburgh, Pa.
GUSTAVE W. THOMPSON,	Brooklyn, N. Y.
WALTER TUFTS,	Boston, Mass.
JOHN R. WETTSTEIN,	Mt. Vernon, N. Y.

Executive Committee

EDWARD J. CORNISH, Chairman

E. F. BEALE	J. R. WETTSTEIN
R. P. ROWE	G. D. DORSEY

Executive Officers

President
EDWARD J. CORNISH

Vice-Presidents
GEO. O. CARPENTER
R. P. ROWE

Assistant to the President
M. D. COLE

Secretary
CHARLES DAVISON

Assistant Secretary
STRATFORD A. MILLER

Treasurer
FRED R. FORTMEYER

Assistant Treasurer
CHARLES SIMON

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General Counsel
ALEXANDER & GREEN
165 Broadway, New York, N. Y.

Registrar of Stocks
BANKERS TRUST CO.
14 Wall St., New York, N. Y.

Departments

Manufacturing Committee
C. P. TOLMAN, Chairman
L. T. BEALE
H. P. CAVARLY
EVANS McCARTY
G. W. THOMPSON

Supervisor of Manufacturing
CHARLES W. FERGUSON

Sales Committee
O. C. HARN, Chairman
L. T. BEALE
C. C. FOERSTNER
O. H. GREENE
W. N. TAYLOR

Advertising Department
O. C. HARN, Manager

Metal Committee
E. J. CORNISH, Chairman
S. A. MILLER, Secretary
W. H. BAKER
L. T. BEALE
W. C. BESCHORMAN
A. F. CURTIS
G. D. DORSEY
C. E. LINDSLEY
H. J. McBIRNEY
SHELDON THOMPSON
C. F. WELLS, Jr.
J. R. WETTSTEIN

Laboratory
G. W. THOMPSON, Chief Chemist
A. H. SABIN, Consulting Chemist

Departments (Continued)

Metal Department
A. B. HALL, Manager

Flaxseed Department
CHAS. T. NOLAN, Manager

Insurance Department
I. M. STETTENHEIM, Manager
M. VAN DERHOEF, Insurance Officer

Traffic Department
W. S. MELLEN, Manager

Branches

National Lead Company

ATLANTIC BRANCH, New York, N. Y.
R. P. ROWE, Manager, 111 Broadway

BUFFALO BRANCH, Buffalo, N. Y.
SHELDON THOMPSON, Manager Cor. Clinton and Oak Streets

CLEVELAND BRANCH, Cleveland, Ohio
O. C. FOERSTNER, Manager, Champlain Avenue and Canal Road

CINCINNATI BRANCH, Cincinnati, Ohio
E. O. GOSHORN, Manager, Freeman Avenue, cor. Seventh Street

CHICAGO BRANCH, Chicago, Ill.
CHAS. E. FIELD, Manager, 900 West Eighteenth Street

ST. LOUIS BRANCH, St. Louis, Mo.
GEO. O. CARPENTER, Manager, 722 Chestnut Street

JOHN T. LEWIS & BROS. CO., Philadelphia, Pa.
EDWARD F. BEALE, Pres., Lafayette Bldg., cor. Fifth and Chestnut Sts.

NATIONAL LEAD & OIL CO., OF PENNSYLVANIA, Pittsburgh, Pa.
W. N. TAYLOR, President, Commonwealth Building, 316 Fourth Avenue

NATIONAL LEAD CO., OF MASSACHUSETTS, Boston, Mass.
WALTER TUFTS, Treasurer, Board of Trade Building, 131 State Street

NATIONAL LEAD CO., OF CALIFORNIA, San Francisco, Cal.
JAS. B. KEISTER, Vice-President, Merchants Exchange Building

Local Offices

National Lead Company

DETROIT, MICH.,	Corner Howard and Tenth Streets
MILWAUKEE, WIS.,	52 Second Street
ST. PAUL, MINN.,	404 Willins Street
OMAHA, NEB.,	1104 Woodmen Building
KANSAS CITY, MO.,	1406-1408 West Thirteenth Street
LOUISVILLE, KY.,	Stark Building
NASHVILLE, TENN.,	303-305 Tenth Avenue, South
NEW ORLEANS, LA.,	513 South Peters Street

John T. Lewis & Bros. Company

BALTIMORE, MD.,	1015 East Fayette Street

Corporations in Which the National Lead Company Is Interested Through Ownership of All or Part of the Capital Stock

BASS-HUETER PAINT COMPANY, San Francisco, Cal.
NORRIS B. GREGG, President.
Manufacturers of Mixed Paints, Varnishes and Paint Specialties.

BAKER CASTOR OIL COMPANY, New York
F. C. MARSH, President.
Manufacturers of Castor Oil.

CARTER WHITE LEAD COMPANY, Chicago and Omaha
FRED. M. CARTER, President.
White Lead Corroders.

CINCH EXPANSION BOLT AND ENGINEERING COMPANY, New York
GRAFTON D. DORSEY, President.
Manufacturers of Expansion Bolts.

HEATH & MILLIGAN MANUFACTURING COMPANY, Chicago
NORRIS B. GREGG, President.
Manufacturers of Paints and Colors.

THE MAGNUS COMPANY, INCORPORATED, New York
H. H. HEWITT, President.
Brass Founders.

MATHESON LEAD COMPANY, Long Island City
W. J. MATHESON, President.
White Lead Corroders and Manufacturers of Oxides of Lead.

RIVER SMELTING AND REFINING COMPANY, St. Louis
EDWARD J. CORNISH, President.
Smelters and Refiners of Zinc.

ST. LOUIS SMELTING AND REFINING COMPANY, St. Louis
J. A. CASELTON, 2nd Vice-President and Secretary.
Miners, Smelters and Refiners of Lead.

UNITED LEAD COMPANY, New York
J. R. WETTSTEIN, President.
Manufacturers of all Products of Lead, Smelters of Drosses and Residues.

UNITED STATES CARTRIDGE COMPANY, Lowell, Mass.
PAUL BUTLER, Treasurer.
Manufacturers of Metallic and Sporting Ammunition.

WILLIAMS HARVEY & COMPANY, LIMITED, Liverpool, Eng.
RICHARD F. PEARCE, Managing Director.
Smelters and Refiners of Tin.

WILLIAMS HARVEY CORPORATION, New York
EDWARD J. CORNISH, President.
Smelters and Refiners of Tin.

Products Manufactured by National Lead Company

Painters' Materials

White Lead, Dry
White Lead in Oil
Red Lead, Dry
Red Lead in Oil
Colors, Dry and in Oil
Linseed Oil, American and Calcutta, Raw, Boiled, Refined, Varnishmakers'

Bearing Metals

Babbitt Metals
Pressure Die Castings

Plumbers' Materials

Lead Pipe
Block Tin Pipe
Tin-lined Lead Pipe
Leadamant Pipe
Lead Traps and Bends
Solder
Soldering Flux

Printers' Metals

Linotype Metal
Monotype Metal
Stereotype Metal
Electrotype Metal

Canners' Materials

Bar Solder
Wire Solder
Ribbon Solder
Triangular Solder
Soldering Flux

Lead Oxides

Red Lead
Litharge
Orange Mineral
Glassmakers' Oxides
Colormakers' Oxides
Rubbermakers' Oxides
Varnishmakers' Oxides
Enamelmakers' Oxides
Potters' Oxides
Accumulator Oxides

Miscellaneous Lead Products

Sheet Lead
Glaziers' Lead
Bar Lead
Lead Wire
Lead Sash Weights
Piano Key Leads
Cinch Expansion Bolts

General Products

Brown Sugar of Lead
White Sugar of Lead
Linseed Oil Cake and Meal
Castor Oil